

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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In Reply To:

3100 (922.JB) P

June 1, 2004

Instruction Memorandum No. MT-2004-050, Change 1

Expires: 9/30/2005

To: State Management Team

From: State Director

Subject: Oil and Gas Leasing Stipulations

DD: 6/30/04

On March 30, 2004, the Montana State Office issued Montana Instruction Memorandum (IM) No. MT-2004-050 regarding reviews of existing Oil and Gas Leasing Stipulations. This IM was prepared in part due to Washington Office IM No. 2003-233 entitled "Integration of the Energy Policy and Conservation Act (EPCA) Inventory Results into the Land Use Planning Process." That IM mandated a review of all current oil and gas lease stipulations in use by the various states. The intention of the review was to address the following points:

- 1) Stipulations need to clearly state the intention of the mitigation and be the least restrictive necessary to accomplish the desired mitigation.
- 2) Stipulations not required to accomplish the required resource protection should be dropped.
- 3) Stipulations that are not accomplishing the desired resource protection should be modified.

Instruction Memorandum No. MT-2004-050 requested that the Field Offices (FOs) provide comments on the existing statewide oil and gas leasing stipulation package issued under IM No. MT-90-220, Change 2, dated July 9, 1990. The response date for the IM was selected in order that comments could be discussed at our recent EPCA workshop. We received a number of comments after our initial request. These comments were discussed during the May 11 and 12, 2004, EPCA workshop in Billings. In addition to discussing these specific comments, we also had several presentations on how to integrate the results of the EPCA inventory into our oil and gas program by both Washington and State Office staff.

We are looking for comments on the effectiveness and need of the existing oil and gas lease stipulation package. This package of stipulations was adopted in 1990 in order to develop consistency of lease stipulations throughout Montana and the Dakotas with the understanding that departures from the standardized stipulations could be considered when developing alternatives for an RMP, based on local resource conditions and needs. It is important that the FOs take a look at the existing stipulation package and

provide the necessary input to this office as requested. All states have been directed to work towards consistency in the application of oil and gas lease stipulations both within state boundaries and across state lines. Comments could include suggestions for the elimination of existing stipulations, addition of new stipulations, or revisions to existing stipulation language, language for the stipulation objective, and changes to the language for the waiver, exception, and modification (WEMs) criteria attached to each stipulation. Please include justification for any proposed changes.

The Dillon FO has responded to this IM. The other FOs that have not provided formal responses need to provide a formal response signed by the Field Office Manager by June 30, 2004. If you have no comments, a formal response is still requested. If there is a need to amend an existing response, please feel free to do so. We are requesting responses from the Field Managers due to the importance of this request and due to the fact that the consistent application of lease stipulations is critical.

If you have any questions, please contact John Bown at (406) 896-5109.

Signed by: Martin C. Ott

Authenticated by: Kathy Ray (MT 922)

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